

THE IMPERIAL *Flo-glaze* PAINTS LTD.

Industrial Finishes

Flo-glaze Colorizer

AR28

2-20 Morse St.
TORONTO 8, CANADA

3 line repl
November 15th, 1962.

TO THE SHAREHOLDERS:

Your Board of Directors is pleased herewith to present the Annual Report of our Company, including the Balance Sheet, and the Statement of Income, and of Retained Earnings, for the fiscal year ended August 31st, 1962, as certified by the Company's auditors.

Satisfying forward progress was continued in our sales growth in all areas of the Company business, including the Montreal division.

While our operating net profit has again been increased in gross, the continuing increase in operating costs in all Canadian industry is also reflected in our picture, notwithstanding strong action taken to counteract this. Your Board of Directors is very much alert to this problem and is with confidence, aggressively planning and executing further strategic steps to offset this.

We have, of course, maintained our regular quarterly dividends, and will as of December 1st, 1962, pay the bonus 10c per share in addition to the regular quarterly dividend.

Knowing that beyond the statistical, our shareholders have always shown a deep interest in the historical side of our activities, we are enclosing with this report an informative letter on matters which go beyond the mere recording of cold figures.

Changing business conditions require changes in procedures in all divisions of the Company operations. Notwithstanding, we are happy to inform you that employee morale is excellent. On behalf of the Directors I am pleased to express our appreciation for the continuing loyal support and cooperation of our staff throughout the year, and which has made this report possible.

F. S. GRUNDY,
President and General Manager

THE IMPERIAL *Flo-glaze* PAINTS LTD.

(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET AUGUST 31, 1962

ASSETS		1962	1961
CURRENT ASSETS			
Cash.....		\$ 924	\$ 730
Accounts receivable, less allowance for doubtful accounts.....		1,431,847	1,124,928
Due from subsidiary companies.....		22,081	34,342
Inventories valued at the lower of cost or market.....		1,802,021	1,478,573
Marketable securities at cost (quoted market value \$21,600).....		6,345	6,345
Prepaid expenses.....		18,371	18,038
		<u>\$3,281,589</u>	<u>\$2,662,956</u>
INVESTMENT in shares of subsidiary companies at cost.....		\$ 101,138	\$ 96,587
LIFE INSURANCE, cash surrender value (Note 1).....		\$ 28,500	\$ 23,425
FIXED ASSETS			
Land at cost; buildings, machinery and equipment at depreciated replacement values (as appraised by Canadian Appraisal Company Limited) as at June 30th, 1951 with subsequent additions at cost.....		\$2,400,304	\$2,345,843
Less: accumulated depreciation.....		1,742,978	1,669,934
		<u>\$ 657,326</u>	<u>\$ 675,909</u>
OTHER ASSETS			
Trade marks and rights.....		\$ 1	\$ 1
		<u>\$4,068,554</u>	<u>\$3,458,878</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank advances (secured).....		\$ 860,297	\$ 505,628
Accounts payable and accrued liabilities.....		659,146	437,668
Income and other taxes.....		66,335	81,715
Dividend payable September 1st.....		24,432	24,432
		<u>\$1,610,210</u>	<u>\$1,049,443</u>
SHAREHOLDERS' EQUITY			
Capital stock			
Preference shares \$1.50 cumulative, participating, convertible, redeemable at \$30.			
Authorized—9,278 shares of no par value			
Issued—Nil			
Common shares			
Authorized—69,544 shares of no par value			
Issued—65,184 shares.....		\$ 355,950	\$ 355,950
Retained earnings.....		2,102,394	2,053,485
		<u>\$2,458,344</u>	<u>\$2,409,435</u>
		<u>\$4,068,554</u>	<u>\$3,458,878</u>

Notes:

Approved on behalf of the Board:

F. S. GRUNDY, *Director*

J. R. MILLER, *Director*

- Subsequent to the date of the balance sheet the company has received \$100,000; being the proceeds of life insurance on one of the executive officers who died in September, 1962.
- Consolidated financial statements are not presented as the assets and operations of the subsidiary companies (not wholly owned) are not considered to be material in relation to those of The Imperial Flo-glaze Paints Limited. The company's proportion of the aggregate losses of the subsidiaries for their fiscal years ended August 31st, 1962 and not taken into the company's accounts amounted to \$9,672 and the company's proportion of the accumulated losses of the subsidiaries sustained since acquisition of the shares and not taken into the company's accounts amounted to \$17,871.

THE IMPERIAL *Flo-glaze* PAINTS LTD.

STATEMENT OF INCOME

For the year ended August 31, 1962

	1962	1961
Income from operations before providing for depreciation	\$ 374,269	\$ 360,852
Income from investments	855	720
	<u>\$ 375,124</u>	<u>\$ 361,572</u>
Deduct depreciation	81,969	81,336
Income before income taxes	<u>\$ 293,155</u>	<u>\$ 280,236</u>
Income taxes	140,000	133,500
Net income for the year	<u>\$ 153,155</u>	<u>\$ 146,736</u>
(The remuneration of directors, as such was \$500 in 1962 and \$500 in 1961.)		

STATEMENT OF RETAINED EARNINGS

For the year ended August 31, 1962

Balance at beginning of year	\$2,053,485	\$2,010,995
Net income for the year	153,155	146,736
	<u>\$2,206,640</u>	<u>\$2,157,731</u>
Deduct:		
Dividends \$1.60 per share	104,246	104,246
Balance at end of year	<u>\$2,102,394</u>	<u>\$2,053,485</u>

AUDITORS' REPORT

To the Shareholders of

The Imperial Flo-glaze Paints Limited:

We have examined the balance sheet of The Imperial Flo-glaze Paints Limited as at August 31st, 1962 and the statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of income and retained earnings present fairly the financial position of the company as at August 31st, 1962 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada, October 26th, 1962.

"GUNN, ROBERTS AND Co."
Chartered Accountants.

THE IMPERIAL *no-glass* PAINTS LTD.

ANNUAL REPORT

for the

Year Ended August 31st, 1962

DIRECTORS

F. S. GRUNDY.....*President and General Manager*

J. R. MILLER.....*Secretary-Treasurer*

N. M. SIMPSON.....*Director*

A. H. GOWEN.....*Vice-President*

STOCK TRANSFER AGENTS

NATIONAL TRUST COMPANY LIMITED

BANKERS

THE TORONTO-DOMINION BANK

Toronto